



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

5/49/019

Michael O. Leavitt
Governor

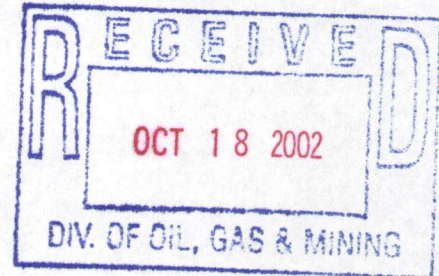
Stephen G. Boyden
Director

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<http://www.trustlands.com>

October 17, 2002

Chimney Rock Resources
C/O Stephen T. Powell
P.O. Box 253
Castle Dale, UT 84513

RE: ML 45544-BSLS
DOGM Permit # S/049/019



Dear Mr. Powell:

I'm making a last attempt to notify Chimney Rock Resources, Inc., that the Trust Lands Administration requires immediate reclamation of mining disturbances to trust lands in Section 32, T 11S, R9E, SLB&M, Utah County. The pit that was dug upon the lands must be filled-in and the total disturbed area must be reseeded. The mining disturbances were created by Chimney Rock resources, Inc., pursuant to mineral lease ML 45544. Mineral lease ML 45544 expired on April 30, 2002, and Chimney Rock Resources no longer have mineral lease rights upon the lands. Egress onto the lands to perform the required reclamation work should be coordinated with the surface owner, Mr. James T. Jensen.

Chimney Rock Resources has failed to maintain a current business address with the Trust Lands Administration and consequently has failed to respond to previous notices sent to Lessee's address of record regarding this matter. If I do not hear from the Company by return mail and receive a commitment to immediately reclaim the mining disturbances, the Trust Lands Administration may take action to order the forfeiture of CD # [REDACTED] previously submitted by Barry Powell and held as a reclamation bond under the lease.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Paul Baker

>>> John Blake 08/15/02 03:17PM >>>
Wayne,

I recently looked through your list of mining permits as of 1/24/02 and note a few discrepancies. I have already communicated with your staff on several of them, but perhaps not on the following.

S/15/65, 16S 12E 16, Clark Powell
Lease #ML 47257 was canceled 5/29/02

S/15/79, 23S 7E 16, Don Morrison
Lease #ML48261 was cancelled 6/12/02

S/15/89, 16S 11E 32, Emery Industrial
Lease #ML 48650 Expired 7/3/02

S/37/93, 34S 15E 32, Bruce Hansen
Lease #ML 47005 is not approved for operations by SITLA

S/39/03, 19S 2E 16, Jon Young
Lease #ML 43391 is not approved for operations by SITLA

S/47/73, 13S 20E 16, Cheyenne Stone
Lease #ML 48069 Expired 9/30/00

S/47/74, 12S 20E 36, United Stone
Lease #ML 48800 has not approved for operations by SITLA

- S/49/19, 11S 9E 32, Chimney Rock
Lease #ML 45544 Expired 4/30/02

S/53/18, 42S 12W 16, Rock Then Roll
Lease #ML 45522 Expired 4/30/02

S/53/24, 41S 13W 16, Feller Stone
Lease #ML 44790 Expired 3/31/00

S/55/02, 27S 7E 16, Nolan Walker
No SITLA lease; MC are not allowed on School Trust Lands

Please pass this information along to your staff. Thanks.

JTB

CC: Doug Jensen; Joelle Burns; Lynn Kunzler; Mary Ann Wright; Paul Baker; Tom Faddies; Tom Munson